

RESOLUTION NO. _____ SERIES 2008

A RESOLUTION OF THE LOUISVILLE/JEFFERSON COUNTY METRO COUNCIL APPROVING THE APPLICATION OF UNIVERSITY RESIDENCES-LOUISVILLE, LLC FOR INDUSTRIAL BUILDING REVENUE BOND FINANCING OF AN INDUSTRIAL BUILDING PROJECT; UNDERTAKING THE ISSUANCE OF INDUSTRIAL BUILDING REVENUE BONDS TO FINANCE THE PROJECT; AND TAKING OTHER PRELIMINARY ACTION.

Sponsored by: Councilman George Unseld

WHEREAS, Louisville/Jefferson County Metro Government (“Metro Government”) is a consolidated local government and political subdivision of the Commonwealth of Kentucky (the “Commonwealth”) and as such is authorized by the Industrial Buildings for Cities and Counties Act, as amended, Sections 103.200 to 103.285 of the Kentucky Revised Statutes (the “Act”), to issue industrial building revenue bonds for the purpose of defraying the cost of any “industrial building” (as defined in the Act), including specifically land, buildings, improvements, equipment, machinery, and other facilities suitable for any activity, including new construction, designed for revitalization or redevelopment of downtown business districts as designated by Metro Government, subject to the review and approval of the State Local Debt Officer pursuant to KRS 103.2101(1), in order to accomplish the public purposes of promoting the economic development of the Commonwealth, relieving conditions of unemployment, and encouraging the increase of industry therein, provided that such bonds are payable solely from the revenues derived from the industrial building and do not constitute an indebtedness of Metro Government within the meaning of the Constitution and laws of the Commonwealth.

WHEREAS, University Residences-Louisville, LLC (the “Company”) an Ohio limited liability company, authorized to do business in the Commonwealth, has applied to Metro Government for (i) the issuance pursuant to the Act of industrial building revenue bonds of Metro Government in a principal amount not to exceed \$60,000,000 (the “Bonds”) to defray the cost of acquiring a tract of 42.5 acres at 620 Shipp Avenue, Louisville, Kentucky 40208, and the construction, furnishing, and equipping thereon of a residential rental apartment community with 1,370 beds, to be marketed primarily to students at the nearby campus of the University of Louisville, who choose to live off-campus (the land, buildings, improvements, furniture, fixtures and equipment comprising such project being hereinafter collectively referred to as the “Project”) and (ii) the execution of a lease (the “Lease”) by and between Metro Government, as lessor, and the Company, as lessee, pursuant to which (x) the Company will make rental payments sufficient to pay the principal of, premium, if any, and interest on the Bonds as the same become due and all other costs of Metro Government incurred in connection with the Bonds and the Project and (y) the Company will be granted the option to acquire the Project upon payment or prepayment of the Bonds.

WHEREAS, the Metro Government designates that the boundaries of the "downtown business district" for purposes of KRS 103.200(n) shall be the area bounded by the Urban Services Taxing District.

BE IT RESOLVED BY THE LEGISLATIVE COUNCIL OF LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT (THE “METRO COUNCIL”) AS FOLLOWS:

Section 1. Metro Council hereby finds and determines that the acquisition, construction and installation of the Project (a) constitutes an activity, including new construction, designed for revitalization or redevelopment of a downtown business district, within the meaning of KRS 103.200(n), and is hereby designated as such by Metro Government, and (b) will tend to accomplish the public purposes of the Act by promoting the economic development of the Commonwealth, relieving conditions of unemployment and encouraging the increase of industry therein.

Section 2. The term "downtown business district" as used in KRS 103.200(n) is hereby designated as the Urban Services Taxing District designated pursuant to KRS 67C.145 and 67C.147, and Metro ordinances enacted implementing KRS 67C.145 and 67C.147.

Section 3. Metro Government hereby undertakes to issue the Bonds, in one or more series, in a principal amount not to exceed \$60,000,000 for the purpose of defraying the costs of the acquisition, construction and installation of the Project for lease to the Company pursuant to the Lease to be executed by and between Metro Government, as lessor, and the Company, as lessee. The issuance of the Bonds shall be conditioned upon the negotiation of terms of the Bonds and the Lease which are in conformity with the Act and acceptable to Metro Government, the Company and the purchaser of the Bonds.

Section 4. Metro Government shall cooperate with the Company in the submission of an application to the State Local Debt Officer for his review and approval of the Project.

Section 5. Metro Government assumes no responsibility for the design, acquisition, construction, installation or operation of the Project, all of which shall be the responsibility only of the Company.

Section 6. It is hereby found, determined, and declared that the financing of the Project will be paid out of the proceeds of the Bonds and such contributions of the Company as may be necessary to complete the Project, as the Project is defined in the loan agreement to be executed by and between the Issuer and the Company at the appropriate time pursuant to the Act; **THAT NONE OF THE BONDS WILL BE GENERAL OBLIGATIONS OF THE ISSUER; THAT NEITHER THE BONDS NOR THE INTEREST THEREON CONSTITUTE OR GIVE RISE TO ANY INDEBTEDNESS OF THE ISSUER OR ANY CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWER; THAT THE BONDS AND THE PAYMENT OF INTEREST THEREON SHALL BE SECURED AND PAYABLE SOLELY AND ONLY BY A PLEDGE OF AMOUNTS TO BE PAID BY THE COMPANY UNDER SUCH LOAN, LEASE OR SALE AGREEMENT; AND THAT NO PART OF SAID PROJECT COSTS WILL BE PAYABLE OUT OF ANY GENERAL FUNDS, REVENUES, ASSETS, PROPERTIES OR OTHER CONTRIBUTIONS OF THE ISSUER.**

Section 7. This Resolution shall take effect upon its passage and approval.

INTRODUCED, SECONDED, READ AND ADOPTED at a duly convened meeting of the Legislative Council of Louisville/Jefferson County Metro Government, held on the _____ day of _____, 2008, on the same occasion signed in open session by the Mayor and President of the Council, attested under seal by the Metro Council Clerk, ordered to be filed and indexed as required by law, and declared to be in full force and effect according to law.

Kathleen J. Herron
Metro Council Clerk

Jim King
President of the Council

Jerry E. Abramson
Mayor

Approval Date

APPROVED AS TO FORM AND LEGALITY

Irv Maze
Jefferson County Attorney

By: James T. Carey
Assistant County Attorney

CERTIFICATE OF THE CLERK

I, Kathleen J. Herron, Metro Council Clerk, hereby certify that I am the duly qualified and acting Metro Council Clerk of the Louisville/Jefferson County Metro Government, that the foregoing Resolution is a true copy of said Resolution duly adopted by the Metro Council of said Metro Government, signed by the Mayor and President of the Council of said Metro Government, and attested under seal by me as Metro Council Clerk of the Metro Government, at a properly convened term and session of said Metro Council held on _____, 2008, as shown by the official records in my custody and under my control; that attached hereto are true copies of the documents approved therein, and that copies of such documents have also been duly filed and recorded in the official records of the Metro Government.

IN WITNESS WHEREOF, I have hereunder set my hand as Metro Council Clerk of the Louisville/Jefferson County Metro Government and the seal of the Metro Government this ____ day of _____, 2008.

Kathleen J. Herron, Clerk

[SEAL]